



## City of Huntsville Texas

### Finance Division

### Summary Notes to Monthly Finance Report

As of May 31<sup>st</sup> (8<sup>th</sup> month of fiscal year)

#### 1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2010 Revenues** → \$51.67M Budget vs. \$35.8M Actual –Revenues are at YTD budget considering seasonal factors. Utilities & Service – 2% below, Sales Tax – 8% below YTD.

1.2 **Division & capital expenditures** → Divisions within budget.

1.3 **Interest Revenue:** Significantly under budget (29% incl. accrued revenue) due to interest rates. The city has invested in FHLB notes and CD's to increase yield with safety. (See Section 6). Prior year end investment income was 65% under prior year budget. CD and agency quarterly interest not accrued monthly.

1.3.1 Significant investment shift from 62% pools to 40%, monthly to MBIA, purchase of agencies (15%), and 8% to new money market. WAM increased from 43 to 369 days with long term maturities, and average interest at 1.38% vs. 0.67% in April.

1.4 **Inventory** \$250K, no change. (Tab 10)

1.5 Fund balances are at 25% or greater..

#### 2 Key Performance Measurements

2.1 New Section, to be supplied by Divisions and published by Finance.

#### 3 Revenue section including sales tax and hotel/motel receipts + Utility Billing status (Tab 3)

(Over/Under average monthly budget refers to an average monthly over the 12 month fiscal year)

3.1 **Total City Utility & Service** revenue is \$15.5M or (2%) under YTD budget. Water is 9% under and Wastewater is at -1% of YTD monthly budget. Tap fees from Construction are \$60K (7% under YTD budget).

3.2 **Sales Tax** receipts are \$4,120. This is under YTD budget by 8% and 8% under YTD last year.

3.3 **Property Tax** receipts YTD are \$4.7M; Taxes are officially due January 1. Delinquent payment from the Arbors Apts. of about \$350K will be maintained as not available for budgeting purposes. Collections exceed last year by about \$196K (Gen. Fund +\$264K and Debt Svc. Fund \$68K less).

3.4 **Investment revenues** – YTD interest revenue totaled \$209K (29% under YTD budget).

3.5 **Hotel/Motel Tax revenues** - \$347K YTD; this is 5% less than prior year and 11% off budgets. Units with 50 to 100 rooms are trending up, while those > 100 (larger motels) and < 50 rooms (smaller) are trending down since 2007.

3.6 **Utility Billing Accounts Receivable** are 98.5% current, and 1.2% were between 30 – 60 days past due. Write-offs YTD totaled \$6,331. See “Accounts Receivable charts” in tab 3.

	<u>Accounts</u>	<u>Disconnects</u>	<u>Finals</u>	<u>Charge Offs</u>
October '09	8312	147	148	38
Nov. '09	8307	133	150	28
Dec. '09	8335	114	116	28
January '10	8321	166	113	10
February '10	8325	155	119	33
March '10	8341	142	134	17
April '10	8351	110	115	33
May '10	8354	147	108	21

3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$124K (62%).

#### 4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$12.2M (Tab 4) (this includes 999 of \$1.6M). The increase is due to the library expansion project at \$3.5M.

4.2 **CIP available money vs. budget report** – Net available \$10.3M cash with a budget of \$11.8M, with \$1.3M from participants or grants. \$3.5M Bonds were issued for the Library capital project.

Net Available Cash	\$ 10.3M
Remaining Budget	(10.3M)
Deficit	( 0 )
Participants & Grants	1.3M
Bonds for Library capital project	0M
Net Available w/ receivables	\$1.3M

- Utility project for the State Park wastewater/water project will be reimbursed 100% from State grants in the amount of \$1,367K.
- Library bond issued for \$3.5M.

#### 5 Expenditure section – Tab 5

5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (3%). Over budget vs.67% YTD: Airport (8%); Community Svc Adm (11%); Public Safety Adm (8.3%) and City Manager (1.9%).

5.2 **Payroll OT expenditures are over budget.** Payroll is 74% Actual vs. 65% of year completed. Over budget: Community Services (95%); Fire (119%); Tourism (73%); and Public Utilities (91%), Administrative Services (90% --I.T. and Garage). Fire OT is in excess due to TEEX deployment to be reimbursed by TEEX for one employee.

5.3 **Gas & Diesel (See Tab 5).** Mega track fuel report – trend analysis gallons & \$'s.

- Trend analysis provided to Division managers for visibility of consumption.  
*32% of gasoline & 12.8% of diesel use is by county & external vehicles by contract.*
- Gasoline average price per gallon (pumped) for May is \$2.49; YTD = \$2.28
- Diesel average price per gallon (pumped) for May is \$ 2.57; YTD = \$2.32

## 6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$43M; an increase of \$852K.

6.2 Monthly interest rate averages:

Percent of Profile	1%	6%	30%	4%	8%	15%	35%
	Cash	Tex Pool	MBIA	Logic	ICSA	Agencies	CD
October	0.120%	0.209%	0.300%	0.315%	-	1.88%	1.81%
November	0.104%	0.211%	0.280%	0.265%	-	1.88%	1.81%
December	0.026%	0.209%	0.260%	0.227%	-	N/A	1.73%
January	0.041%	0.163%	0.219%	0.184%	-	N/A	1.51%
February	0.043%	0.151%	0.235%	0.167%	-	N/A	1.51%
March	0.006%	0.150%	0.220%	0.170%	-	NA	1.52%
April	0.100%	0.160%	0.220%	0.180%	-	2.0%	1.52%
May	0.13%	0.19%	0.23%	0.21%	0.34%	1.64%	1.27%

	Cash	Tex Pool	MBIA	Logic	ICSA	Agencies	CD	Total
October	\$614,838	\$8,386,521	\$7,759,909	\$6,211,023		\$1,538,316	\$12,500,000	\$37,010,607
November	\$654,888	\$8,702,840	\$8,389,260	\$6,199,076		\$1,517,466	\$12,520,849	\$37,984,379
December	\$988,781	\$7,999,284	\$9,861,721	\$7,761,559		\$-0-	\$11,520,850	\$38,142,195
January	\$656,704	\$8,264,514	\$9,341,620	\$6,053,817		\$-0-	\$14,020,850	\$38,337,505
February	\$709,520	\$9,058,877	\$9,521,692	\$5,878,702		\$-0-	\$14,020,850	\$39,189,641
March	\$728,818	\$8,710,851	\$9,827,811	\$4,979,504		\$-0-	\$14,029,850	\$38,267,694
April	\$550,940	\$7,227,755	\$14,981,869	\$4,606,242		\$350,000	\$14,020,849	\$41,737,659
May	\$552,460	\$2,717,468	\$12,636,737	\$1,810,970	\$3,500,000	\$6,351,000	\$15,020,850	\$42,589,218

**Note: CD's = 1.27% weighted average interest rate and 258 days weighted average maturity. WAM increased from 115 to 258 days for CD; interest average decreased to 1.27% from 1.52%.**

6.3 Percent by Portfolio for January: Cash 1%; Pools 36%; Agencies 15%; CD's 35%.

6.4 The City has opened two money market secured accounts. Investments of \$3,500,000 have been made at 0.34% versus pool rates of approximately 0.20%.

6.5 WAM increased from 43 days to 269 days with issuance of \$6.3M agencies; yield increased from 0.67% to 1.38% avg.

**7 Governmental funds section including capital expenditures funds**

7.1 Balance sheets and Summary Income Statements provided.

**8 Enterprise funds section**

8.1 Balance sheets and Summary Income Statements provided.

**9 Fiduciary funds section**

9.1 Balance sheets and Summary Income Statements provided.

**10 Inventory section [fuel / parts / supplies / pipe / etc.] - (Tab 10)**

10.1 Warehouse Inventory by Division:

Total on-hand is \$250K, no change. Prior Year end balance was \$220K.

- Gas & diesel totaled \$30K combined, about the same from prior month amount.
- Street inventory was \$35K vs. \$36K prior month.
- Audit was completed showing inventory usage. Inventory variances resolved, solid waste diesel pumps are a remaining issue. Training on Megatraks software was completed in May. Solid waste pump was recalibrated. Upgrade and repair being considered to pump system and alternatives.

Gas & Diesel:

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>
<b>FY 07-08</b>	\$43K	\$49K	\$35K	\$31K	\$59K	\$62K	\$87K	\$90K	\$75K	\$55K	\$66K	\$57K
<b>FY 08-09</b>	\$33K	\$41K	\$28K	\$36.5K	34.7K	31.8K	35.7K	\$28K	\$36K	\$38	\$31K	\$42.8K
<b>FY 09-10</b>	\$36K	\$37K	\$51K	\$46.2K	\$53.6	\$41.3K	\$42K	\$30K				

**11 Budget amendments**

**12 OPEN notes and add ins**

Finance Staff